

## Message Text

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15

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 TRSE-00 XMB-04 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 PA-02 USIA-15 PRS-01 NSC-05

SS-15 STR-04 CEA-01 L-02 /098 W  
----- 054022

R 311625Z MAR 75

FM AMEMBASSY VALLETTA

TO SECSTATE WASHDC 6083

INFO AMEMBASSY ROME

UNCLAS VALLETTA 0337

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: BANK OF SICILY TO PURCHASE 20 PERCENT SHARE IN  
BANK OF VALLETTA

REFS: A. VALLETTA 0323; B. VALLETTA A-35, MARCH 28, 1974

1. A DEPARTMENT OF INFORMATION RELEASE ON MARCH 26 ANNOUNCED THAT THE BANK OF SICILY HAD REACHED AN AGREEMENT WITH THE GOM TO PURCHASE A 20 PERCENT SHAREHOLDING IN THE BANK OF VALLETTA, LTD. THIS SHAREHOLDING WILL BE IN THE FORM OF 1.2 MILLION ORDINARY "B" SHARES PURCHASED FROM THE PARA-STATAL MALTA DEVELOPMENT CORPORATION (MDC) FOR LM858,000 (APPROXIMATELY US\$2.3 MILLION).

2. PRIME MINISTER MINTOFF, COMMENTING ON THE SALE IN PARLIAMENT, CLAIMED THE SHARES ARE BEING SOLD TO THE BANK OF SICILY AT A PREMIUM WHICH WILL RESULT IN A PROFIT FOR THE MDC.

3. ACCORDING TO THE PRIME MINISTER, THE NEW OWNERSHIP STRUCTURE OF THE BANK OF VALLETTA WILL BE: GOM - 60 PERCENT (LM1.8 MILLION INVESTMENT); BANK OF SICILY - 20 PERCENT (LM858,000 INVESTMENT); MDC - 10.392 PERCENT (NET INVESTMENT OF LM281.688); AND PUBLICLY HELD SHARES - 9.608 UNCLASSIFIED

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PERCENT (LM360.312 INVESTMENT). THE PRIME MINISTER ADDED

THAT THE REMAINING SHARES HELD BY MDC WOULD SOON BE OFFERED  
TO THE MALESE PUBLIC AT THE SAME SHARE VALUE OBTAINED FROM  
THE BANK OF SICILY.

4. COMMENT: GOM DECISION TO SELL PART OF ITS BANK OF  
VALLETTA SHARES TO A FOREIGN BANK COULD BE AN EFFORT TO EXPAND  
MALTA'S INTERNATIONAL FINANCIAL TIES AS A COUNTERBALANCE TO ITS  
TAKEOVER OF BARCLAYS BANK REPORTED IN REFTEL A. WIGGINS

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 MAR 1975  
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**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
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**Film Number:** D750112-0134  
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**Subject:** BANK OF SICILY TO PURCHASE 20 PERCENT SHARE IN BANK OF VALLETTA  
**TAGS:** EFIN, MT, IT  
**To:** STATE  
**Type:** TE  
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